

ABERDEEN FOYER
*(a company limited by guarantee and
not having share capital)*

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2006

ABERDEEN FOYER

*(a company limited by guarantee
and not having a share capital)*

(Company number: SC184423)

(Charity number: SC023655)

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2006

Anderson Anderson & Brown

Chartered Accountants

ABERDEEN FOYER
DIRECTORS' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 MARCH 2006

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ABERDEEN FOYER
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS AND TRUSTEES

The directors of the charitable company (“the charity”) are its trustees for the purposes of charity law. The directors are:

Directors

| | |
|-----------------|-----------------------------|
| Mr D Paton | Chairman |
| Mr W Ferguson | Treasurer |
| Mr H Barrett | |
| Dr L Gautam | |
| Mr F Hughes | (appointed 26 January 2006) |
| Mr M Melvin | |
| Mr R Richardson | (appointed 16 March 2006) |

Member Directors

| | |
|------------------------|-------------------------|
| Councillor A Leitch | Vice Chairman |
| Mrs S Thomson | (appointed 1 June 2006) |
| Dr L Leighton-Beck | |
| Councillor S Macdonald | |
| Mr M McNeil | |
| Councillor A Malone | |
| Mr A Moat | |
| Mr J Pennington | |

Appointed by

Aberdeenshire Council
Aberdeenshire Council
NHS Grampian
Aberdeen City Council
Grampian Housing Association
Aberdeen City Council
Grampian Housing Association
Careers Scotland

ORGANISATION

The company is managed by the Board of Directors

SECRETARY

Mr K Milroy

ADVISER

Mr R Johnson

ABERDEEN FOYER

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

REGISTERED OFFICE

Marywell Centre
Marywell Street
Aberdeen
AB11 6JF

PRINCIPAL ADDRESS

18 Marywell Street
Aberdeen
AB11 6FS

AUDITORS

Anderson Anderson & Brown
6 Carden Place
Aberdeen
AB10 1UR

BANKERS

Bank of Scotland
201 Union Street
ABERDEEN
AB11 6UG

SOLICITORS

Paull & Williamsons
6 Union Row
ABERDEN
AB10 1DQ

ABERDEEN FOYER DIRECTORS' REPORT

The Directors submit their Report and the Audited Accounts of the Group and the Charitable Company for the year ended 31st March 2006.

Legal and administrative information set out on Pages 1 & 2 forms part of this Report. The Accounts comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Aberdeen Foyer is a Company limited by guarantee (Company No: SC184423) and a registered Scottish Charity (Charity No: SC023655). The Charity is governed by its Memorandum and Articles of Association.

Organisational structure

The Board of Directors administers the Charity. In August 2006 a resolution to amend the Articles of Association of Aberdeen Foyer was approved by its members. During the year to 31 March 2006, the Board of Directors comprised a maximum of 11 Directors designated Member Directors, appointed by the Members of the Company, and a maximum of 11 Special Directors (non Members), appointed by the Member Directors.

The Member Directors comprised, up to:

- 3 representatives appointed by Aberdeen City Council;
- 3 representatives appointed by Aberdeenshire Council;
- 2 representatives appointed by Grampian Housing Association;
- 2 representatives appointed by NHS Grampian;
- 1 representative appointed by Careers Scotland.

The Special Directors comprised, up to:

- A maximum of 4 individuals between the ages of 16 and 25 presently involved in the Company's work/activities;
- A maximum of 2 individuals previously involved in the Company's work/activities;
- A maximum of 2 individuals involved with businesses in the Company's operating area;
- A maximum of 3 individuals who would be beneficial to the promotion and furtherance of the Company's purposes.

Following the approval of the Resolution to amend the Articles of Association in August 2006 the Board of Directors comprises a maximum of 15 Directors of whom a maximum of 7 Directors shall be drawn from the Members of the Company as follows: 2 representatives appointed by Aberdeen City Council; 2 representatives appointed by Aberdeenshire Council; 1 representative appointed by NHS Grampian; 2 representatives appointed by Grampian Housing Association.

Day to day management is delegated to the Chief Executive, Ken Milroy.

ABERDEEN FOYER

DIRECTORS' REPORT (continued)

Directors and directors' interests

The Directors of the Company during the year ended 31 March 2006 were as noted on Page 1, together with the following who resigned as Directors on the dates noted: -

- Councillor A Robertson 1 June 2006
- Mr M Scott 26 January 2006
- Mr R Wallen 26 January 2006
- Mr J Pennington 6 October 2006

The Company has no share capital or debentures.

Recruitment and appointment of new directors

During the year ending 31 March 2006, Mr F Hughes and Mr R Richardson were appointed as Directors of the Company. Mr F Hughes replaced Mr R Wallen as a Director appointed by Aberdeen College and maintains the Board's policy to invite Aberdeen College to appoint a member of the board. Mr R Richardson offered his services to Aberdeen Foyer and following a meeting with the chairman and Chief Executive, the Board agreed to invite him to join the Board. Following the resolution to revise the Articles of Association of the Company the former Member Director, Dr L Gautam agreed to remain as a Director of the Company.

Induction and training of directors

Following the appointment of Mr F Hughes and Mr R Richardson to the Board in March 2006, an Induction Programme was delivered by the Chief Executive covering all aspects of the Company's service activities and governance arrangements.

Related parties

Aberdeen Foyer holds the entire share capital of Foyer Enterprise Limited which operates the Foyer Restaurant and Gallery, Foyer Graphics and the trading elements of the Foyer Drive initiative. These business activities have been established to: generate income to support the work of Aberdeen Foyer, raise the profile of Aberdeen Foyer in the wider community and offer training and employment opportunities to Aberdeen Foyer clients. During the year new business ideas were explored and preparatory work undertaken in relation to the launch of the Ben & Jerry's Partnership initiative in November 2006.

Aberdeen City Council and Grampian Housing Association are members of the Company and appoint representatives to the Board of Directors as noted above. Aberdeen Foyer rents properties from both these organisations and details of these transactions are included in Note 22 of the Accounts.

Furthermore, Aberdeen Foyer is in receipt of funding for the delivery of specific services from Aberdeen City Council, Aberdeenshire Council, NHS Grampian and Aberdeen College. Aberdeen College appoints a Director to the Board of Directors of Aberdeen Foyer; all the other organisations appoint Member Directors to the Board. Details of these transactions are also noted in Note 22 of the Accounts.

ABERDEEN FOYER DIRECTORS' REPORT (continued)

Risk Management

The directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finance of the company and are satisfied that systems are in place to manage the exposure to major risks.

OBJECTIVES AND ACTIVITIES

Aberdeen Foyer seeks to provide supported housing, community learning, education, training and health promotion services to all young people aged 16-25 and to other community members who are in need of them and be recognised as an organisation that:-

- is striving for excellence in the services we offer, providing quality at an affordable price;
- is committed to addressing social inclusion through the various services that we offer;
- employs a professional, qualified and committed workforce who enjoy their work;
- involves our tenants, programme participants and service users in making meaningful choices and shaping decisions at all levels in the organisation;
- is a strong partnering organisation;
- embraces change to provide innovative and creative services; and
- operates successful businesses to help support the work of Aberdeen Foyer.

Our Strategy to take the Company forward identifies 8 objectives:-

- to ensure that the business is properly funded;
- to address social inclusion by extending our service provision;
- to involve those who we work with in decision making;
- undertake risk and needs assessment of those we are working with;
- endeavour to extend the partnerships we work within;
- we are committed to growing our business and service provision through our supported housing service – **Housing Support**, our education and training service – **Foyer Learning** and our trading company – **Foyer Enterprise**;
- to develop our staff; and
- review and revise our governance.

Aberdeen Foyer now provides supported tenancies for young people aged 16 – 25, across 6 sites in Aberdeen (2), Peterhead, Fraserburgh, Banchory and Stonehaven working with over 80 tenants at any one time. The core **Housing Support** services at each of these sites is now wholly funded through Supporting People contracts with both Aberdeen and Aberdeenshire Council.

In addition to the accommodation based services we also operate a peripatetic Move-On Support programme for those of our tenants who still require a low level of continuing support after leaving our accommodation based services. This service was initiated with support from the Laidlaw Youth Project. In Aberdeen, funding to sustain and develop the Move-On service is provided by Aberdeen City Council's Homelessness Strategy Budget. In Aberdeenshire similar longer term funding is also being sought from Aberdeenshire Council. In the longer term we are seeking to sustain (indeed develop) the service by offering the model for funding through Supporting

ABERDEEN FOYER

DIRECTORS' REPORT (continued)

OBJECTIVES AND ACTIVITIES (continued)

People in both Aberdeen and Aberdeenshire. This is in line with the Homelessness and Supporting People strategies for both Aberdeen City and Aberdeenshire Councils which seek to increase the range of non-accommodation based housing support services.

Aberdeen Foyer opened the Marywell Training and Resource Centre in Marywell Street, Aberdeen in 1997 establishing it not only as a key resource for a range of learning and training activities, but also utilising the facility for wider community use by outside organisations for meetings and training activities. The Foyer's Marywell Centre is a thriving centre for our clients. In addition to our own planned use of the building for education, training, community health and social activities, many community members have used the facility in the past year.

Foyer Learning now encompasses all our community learning, education, training and employment support activities and comprises:

- The Prince's Trust Team programme. Aberdeen Foyer is appointed by the Prince's Trust Scotland to deliver this pre-employment and personal development programme for 16 – 25s in the Aberdeen and Aberdeenshire areas. The programme is delivered by Aberdeen Foyer, working in conjunction with Aberdeen College in both Aberdeen and North Aberdeenshire areas;
- Lifeshaper is our community based drug rehabilitation programme again delivered in conjunction with Aberdeen College and also operating in Aberdeen and North Aberdeenshire;
- Build & Train is a Job Centre Plus New Deal programme delivered under contract by Aberdeen Foyer, to address skills shortages in the construction industry and operating across Aberdeen and Aberdeenshire but also capable of accommodating clients from the Moray area;
- IT classes, beginners/introductory and ECDL classes operated with Aberdeen College;
- Progress2Work is a Job Centre Plus New Deal contract targeting those with a history of drug use and operates in Aberdeen. The programme is delivered in Aberdeen by Aberdeen Foyer working in partnership with Apex Scotland and Aberdeen Cyrenians;
- Aberdeen Integrated Community Drugs Rehabilitation Service (ICDRS), a multi agency initiative supported by the Aberdeen Joint Alcohol and Drug Action Team with Aberdeen Foyer providing the employability support component of the overall services, along side other partners: Aberdeen Cyrenians, Phoenix House and Drugs Action;
- The Opportunity Gateway Partnership is a successful learning and community development initiative building on a successful network of Learning Houses and Home Learning services established by Scottish Enterprise. Aberdeen Foyer is now contracted by Communities Scotland (through Grampian Housing Association), Aberdeen City and Aberdeenshire Councils and Scottish Enterprise as the delivery partner for this unique network of community based learning and employability support services. The service operates in both Aberdeen and Aberdeenshire particularly targeting households residing in areas of multiple deprivation;
- Foyer Music provides access to a range of music and music support activities including a recording and rehearsal studio at Marywell Centre, regular live showcase events and festivals for new music and the recently launched Foyer Records label.

ABERDEEN FOYER

DIRECTORS' REPORT (continued)

OBJECTIVES AND ACTIVITIES (continued)

Under the umbrella of the 'Health Promoting Foyer' we have established a range of innovative community health services comprising:

- 'Sorted Not Screwed Up', our mental health and wellbeing project
- A Cancer Prevention project, with specific interventions to promote physical activity, good diet and smoking cessation across our various services and client groups;
- A specialist drugs worker to provide counselling and support to our tenants.
- Our health services also includes two Health Visitors from NHS Grampian, one in Aberdeen and one in North Aberdeenshire, working with Aberdeen Foyer tenants.

Over the last year we have been implementing a more coordinated approach to volunteering across the organisation. This includes both community members volunteering within our various programmes and activities and promoting volunteering as an opportunity for those we are already working with as tenants and as programme participants. Links have already been made with the Scottish Executive supported 'Project Scotland' and Aberdeen Foyer is an approved body to participate in and deliver the initiative in Aberdeen and Aberdeenshire.

Over the year work continued to develop the Foyer Drive initiative - a partnership venture with the public and private sectors offering a package of driving lessons, basic car maintenance and driving and vehicle safety. Further exploratory work was also undertaken in relation to the Aberdeenshire Furniture Project, a furniture recycling, repair, redistribution and retail initiative being established as a joint venture with Instant Neighbour which will offer transitional employment and training opportunities for those unable to move into mainstream training and employment support activities.

Aberdeen Foyer also operates two existing successful businesses under the auspices of our trading company Foyer Enterprise. The Foyer Restaurant and Gallery is highly regarded as one of the top three restaurants in Aberdeen and Foyer Graphics has been providing an imaginative and high quality graphic design service for the last seven years to customers across the public, private and voluntary sectors. Foyer Graphics will see an expansion of its service with a move to new accommodation and the appointment of additional staff.

Aberdeen Foyer's fund raising activities over the year have continued to attract support from many local individuals and companies. We continue to benefit from our trading company's business activities both in terms of financial support and in raising awareness of the work of Aberdeen Foyer in the wider community.

ACHIEVEMENTS AND PERFORMANCE

At the start of 2005/06 financial year we anticipated an increase in the overall turnover of the Company through service growth and this was achieved. The biggest growth area during the financial year related to the Opportunity Gateway Partnership which saw the transfer of the former Family Learning Network/Learning Houses to Aberdeen Foyer under contract with Aberdeen City Council, Aberdeenshire Council, Scottish Enterprise Grampian and Communities Scotland. We also saw additional growth in our housing and housing support services with the opening of new supported accommodation services in Stonehaven and Banchory.

ABERDEEN FOYER

DIRECTORS' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Areas of growth in the health related services saw the addition of a new Specialist Drugs Worker and a new Volunteer Co-ordinator. During the year we also saw the establishment of the Foyer Drive initiative with support from the Rank Foundation whose investment to Aberdeen Foyer is to be over a 5 year period.

During the year we also brought about improvements in the overall management of the Company with a growth in service activity allowing a number of improvements within corporate service functions in relation to Finance and HR. The other major step forward was the appointment of a full-time Fundraiser to lead a strategy for Fundraising. We were also able to take forward work commissioned by Aberdeenshire Council related to homelessness and employability as a component of Aberdeenshire Council's Homelessness Strategy.

At the end of the financial year we learned that we had been unsuccessful in securing the contract to continue to operate New Deal Gateway to Work programmes. This was a major disappointment and obviously had an effect on operational arrangements beyond 31 March 2006.

To support our tenants to engage more effectively in learning activities we secured, with support of the Foyer Federation, funding direct from the Scottish Executive to operate the flexible learning programme "Outside In".

In 2004/05 Aberdeen Foyer commissioned Allpark Consultants to assist with our future strategy and business planning for the Company. This work continued into the year and helped inform our Strategic Plan for 2006 - 2011.

FINANCIAL REVIEW

Results

The consolidated accounts show net incoming resources for the year, amounting to £52,014 (2005 – £3,300), which have been dealt with as shown in the Statement of Financial Activities.

Reserves

The directors aim to maintain a level of free reserves to enable the charity to sustain its charitable activities. Restricted funds are those funds which can only be used for particular restricted purposes, specified by the donor or when funds are raised for a particular restricted purpose. The restricted fund as at 31 March 2006 represents the surplus of restricted income over expenditure accumulated to this date.

The consolidated unrestricted funds as at 31 March 2006 amount to £358,601.

The business strategy is to increase free reserves (that is those funds not tied up in fixed assets and restricted funds) to a target of £200,000 over the two financial years to 31 March 2008.

ABERDEEN FOYER
DIRECTORS' REPORT (continued)

PLANS FOR FUTURE

Our Strategic Plan 2006 - 2011 sets out how we intend to go forward as a company. In the plan we identify three organisational challenges. These are to:-

- build our capacity & capability;
- enhance our existing services; and
- develop new services.

Our Housing and Housing Support Services have been the cornerstone for much of the work that has since developed in terms of learning and health and our Housing Support Services and those engaged in them remain a key driver as to how we go forward as an organisation. The advent of Supporting People has clearly brought a greater sustainability of funding for this work but with it much greater accountability and scrutiny as an outsourced public service.

These services are likely to go through a period of some change and reconfiguration in line with commissioners' more defined service specifications and expectations and, importantly, our own recognition and desire for service re-design. This work is perhaps most advanced at present in Aberdeen where we are currently working with the local authority to incorporate a direct access accommodation and assessment service for those 16 – 25's presenting as homeless to the Council as a 'pre foyer' initiative which we plan to extend to those who have been in residential care.

Much of the work of our Foyer Learning services is rightly focussed on moving individuals into employment; however we are now seeking to achieve a greater breadth to this work. The work of the Opportunity Gateway Partnership through the Learning Houses highlights the key role we are now playing in this broader work, in particular in contributing to the wider Regeneration of disadvantaged communities, with Learning opportunities providing a critical vehicle for wider change.

The other key aspect of work that will be taken forward through our Foyer Learning activities is the wider Employability agenda which is being promoted by both Holyrood and Westminster Parliaments. In Scotland we have recently seen the publication of the Strategy - Workforce Plus as well as a Strategy to focus on the NEET group (i.e. those not in education, employment or training and with an emphasis on the 16 – 19 year olds). We have already been recognised for our existing pioneering work in this area when the First Minister's advisor from the world of business on the NEET issue visited us earlier in the year. This will be a continuing theme over the course of the next year and beyond.

The short term nature of the funding for much of Foyer Learning activities will continue to be a feature of the next period. We expect to be bidding for contracts to continue to operate Progress to Work. There is also uncertainty in relation to some existing contacts and service areas such as Build and Train and whether the next generation of Job Centre Plus contracts will provide scope for the effective sector focussed work that Build and Train represents. Work will also be ongoing in preparation for future funding arrangements of the Opportunity Gateway Partnership.

ABERDEEN FOYER

DIRECTORS' REPORT (continued)

PLANS FOR FUTURE (continued)

While the new and emerging policy framework seems to fit well with all these successful initiatives we will need to match them to the available funding streams when these are known.

Health continues to be a distinctive part of our approach and services. Our desire is to see these essential services integrated into our Housing Support services and we will continue this strategy as the most effective way to sustain and expand these aspects of our work. The broader Health agenda has clearly been well established within Aberdeen Foyer across various service areas and programmes by successfully pursuing the 'Health Promoting Foyer' concept and thereby mainstreaming much good practice into work across the organisation.

The Foyer Board recognise that the rapid growth of Aberdeen Foyer and the wider work it now engages in, has not been mirrored with a similar growth in the business activities of Foyer Enterprise which now represent a lesser part of the overall Foyer 'package'. We are keen to redress this balance and see the need to further develop our trading activities of Foyer Enterprise.

Foyer Enterprise is a wholly owned subsidiary trading company of Aberdeen Foyer. The model has allowed us to establish and operate successful trading activities since 1999. A separate Board of Management oversees these business activities which from the outset set 3 aims for the new trading Company's activities. These were:-

- income generation;
- profiling the wider work of Aberdeen Foyer in the community; and
- providing employment and training opportunities to Aberdeen Foyer clients.

These overarching aims for Foyer Enterprise remain as valid today as they did when they were originally agreed.

As we go forward and look at new business development this emphasis is changing. We do need successful trading businesses but wish to place a greater emphasis on the social benefits as we work to establish new businesses.

We will continue to support and seek opportunities to expand our services in Art and Foyer Music. These add an all important community and cultural dimension to the organisation, a dimension that clearly enhances other aspects and service areas. Again this work marks us out as distinctive.

Across the organisation we can therefore anticipate some change, particularly in service areas that will go through funding changes to fit with new policies and strategies. In doing so some clear themes emerge: - early intervention, employability, health promotion, regeneration, enterprise and community.

ABERDEEN FOYER
DIRECTORS' REPORT (continued)

PROVISION OF INFORMATION TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Anderson Anderson & Brown have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board

D PATON
Chairman – David Paton

21 MARCH 2007
Date

ABERDEEN FOYER

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the net income or expenditure of the group for that period. In preparing those accounts, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERDEEN FOYER

We have audited the group and charitable company accounts of Aberdeen Foyer for the year ended 31 March 2006 which comprises the Group Statement of Financial Activities, the Group and Company Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 12 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether or not the accounts give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:-

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and charitable company's affairs as at 31 March 2006 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the directors' report is consistent with the accounts.

ANDERSON ANDERSON & BROWN

Anderson Anderson & Brown
Chartered Accountants
Registered Auditors
Aberdeen
21 MARCH 2007

ABERDEEN FOYER
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2006

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2006 £ | Total 2005 £ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | 2 | 32,437 | 205,047 | 237,484 | 148,597 |
| Activities for generating funds | 3 | 772,448 | - | 772,448 | 657,574 |
| Incoming resources from charitable activities | | | | | |
| Housing services | 4 | 1,062,049 | - | 1,062,049 | 895,488 |
| Learning | 4 | 1,048,620 | 344,328 | 1,392,948 | 921,402 |
| Health | 4 | - | 200,685 | 200,685 | 166,784 |
| Other | 4 | 6,228 | 69,972 | 76,200 | - |
| TOTAL INCOMING RESOURCES | | 2,921,782 | 820,032 | 3,741,814 | 2,789,845 |
| RESOURCES EXPENDED | | | | | |
| Cost of generating funds: | | | | | |
| Costs of generating voluntary income | | 26,120 | - | 26,120 | 25,402 |
| Fundraising trading: cost of goods sold and other costs | 6 | 748,801 | 8,811 | 757,612 | 627,616 |
| Charitable activities: | | | | | |
| Housing services | 7 | 1,137,527 | 50,591 | 1,188,118 | 1,051,714 |
| Learning | 7 | 978,654 | 418,351 | 1,397,005 | 923,832 |
| Health | 7 | - | 195,825 | 195,825 | 153,781 |
| Other | 7 | - | 118,951 | 118,951 | - |
| Governance costs | 8 | 6,169 | - | 6,169 | 4,200 |
| TOTAL RESOURCES EXPENDED | | 2,897,271 | 792,529 | 3,689,800 | 2,786,545 |
| Net incoming resources before transfers | | | | | |
| | | 24,511 | 27,503 | 52,014 | 3,300 |
| Transfers | | 48,243 | (48,243) | - | - |
| Net movement in funds – net income for the year | | | | | |
| | 9 | 72,754 | (20,740) | 52,014 | 3,300 |
| Total funds brought forward | 18 | 285,847 | 109,689 | 395,536 | 392,236 |
| Total funds carried forward | 18 | £ 358,601 | £ 88,949 | £ 447,550 | £ 395,536 |

The company has made no gains or losses other than as reported above.

ABERDEEN FOYER**CONSOLIDATED BALANCE SHEET – 31 MARCH 2006**

| | Note | 2006 £ | 2005 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 13 | <u>501,421</u> | <u>496,806</u> |
| CURRENT ASSETS | | | |
| Stocks | | 6,667 | 6,523 |
| Debtors | 14 | 510,996 | 142,942 |
| Cash at bank and in hand | | <u>3,702</u> | <u>32,898</u> |
| | | 521,365 | 182,363 |
| CREDITORS: amounts falling due within one year | 15 | <u>558,041</u> | <u>283,323</u> |
| NET CURRENT LIABILITIES | | <u>(36,676)</u> | <u>(100,960)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 464,745 | 395,846 |
| CREDITORS: amounts falling due after more than one year | 17 | <u>17,195</u> | <u>310</u> |
| | | <u>£ 447,550</u> | <u>£ 395,536</u> |
| FUNDS | | | |
| Restricted | 18 | 88,949 | 109,689 |
| Unrestricted | 18 | <u>358,601</u> | <u>285,847</u> |
| | | <u>£ 447,550</u> | <u>£ 395,536</u> |

Signed on behalf of the Board of Directors

D.PATON
.....
Chairman – David Paton

21 MARCH 2007
.....
Date

ABERDEEN FOYER
BALANCE SHEET – 31 MARCH 2006

| | Note | 2006 £ | 2005 £ |
|---|------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible assets | 13 | 439,803 | 431,861 |
| Investments | | 2 | 2 |
| | | <hr/> | <hr/> |
| | | 439,805 | 431,863 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Debtors | 14 | 455,830 | 171,944 |
| Cash at bank and in hand | | 3,536 | 32,803 |
| | | <hr/> | <hr/> |
| | | 459,366 | 204,747 |
| CREDITORS: amounts falling due within one year | 15 | 466,453 | 217,698 |
| | | <hr/> | <hr/> |
| NET CURRENT LIABILITIES | | (7,087) | (12,951) |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | £ 432,718 | £ 418,912 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| FUNDS | | | |
| Restricted | 18 | 88,949 | 109,689 |
| Unrestricted | 18 | 343,769 | 309,223 |
| | | <hr/> | <hr/> |
| | | £ 432,718 | £ 418,912 |
| | | <hr/> <hr/> | <hr/> <hr/> |

Signed on behalf of the Board of Directors

D. PATON
.....
Chairman – David Paton

21 MARCH 2007
.....
Date

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

(b) *Consolidation*

These accounts consolidate the results of the charity and its wholly owned subsidiary Foyer Enterprise Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, is not presented for the charity because Aberdeen Foyer has taken advantage of the exemptions under section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

(c) *Incoming resources*

All incoming resources are included in the Statement of Financial Activities (“SOFA”) when the group is legally entitled to the income and the amount can be quantified with reasonable certainty.

Incoming resources from generated funds

- Voluntary Income:-
 - Donations and legacies – donations including donations in kind and legacies are included in the SOFA in the year they are receivable;
 - Fundraising Events – income from events are accounted for when the funds are remitted.
- Activities for generating funds – all income from sales or fees are accounted for in the period in which the transaction arises.
- Investment income – income from investments is included in the SOFA in the year in which it is receivable.

Incoming resources from charitable activities

This income arises from the group’s primary charitable activities. Major income streams within these headings include:-

- Grant Income – income from grants, including capital grants, is included in incoming resources when it is receivable except where the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. In these circumstances income is deferred until those periods.
- Service Level Agreements – income from service contracts is recognised at the point it becomes due under the terms of any agreement.
- Housing Rental Income – income from property rental is recognised in the period it is receivable.

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

1. ACCOUNTING POLICIES (continued)

Intangible income

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

(d) *Resources expended*

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Central costs are allocated directly to activities where appropriate, thereafter costs are allocated as follows:

| Cost | Nature of expenditure | Allocation basis |
|--------------------|---------------------------------------|--|
| Corporate services | Head office staff and buildings | Income generated by activity |
| Administration | Shared corporate costs | Staffing hours |
| Vehicles | Motor expenses | Mileage |
| Marywell Centre | Shared costs for operational building | Staffing hours – for staff based at Marywell |

Costs of generating funds comprise those costs incurred in attracting voluntary income and those costs incurred in trading activities that raise funds.

Charitable activities include expenditure associated with providing services to young people in Health, Housing, Learning, Driving and Volunteering and include both direct costs and support costs relating to these activities.

Governance costs comprise costs for the running of the charity itself as an organisation and are primarily associated with constitutional and statutory matters.

(e) *Taxation*

The company is recognised by HM Revenue & Customs as a charity and therefore the company is not liable to taxation.

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

1. ACCOUNTING POLICIES (continued)

(f) *Tangible fixed assets and depreciation*

Fixed assets costing £250 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less the estimated residual value of each asset evenly over its expected useful life, as follows:

| | |
|---|-----------------------------------|
| Leasehold property | Over duration of lease – 20 years |
| Office fixtures, fittings and equipment | 4 years |
| Motor vehicles | 5 years |

(g) *Fixed asset investments*

The investment in the subsidiary is included at cost.

(h) *Stocks*

Stocks are included at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

(i) *Leasing and hire purchase commitments*

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Rentals paid under operating leases are charged to income on straight-line basis over the lease term.

(j) *Pensions*

Aberdeen Foyer participates in the Aberdeen City Council Pension Fund (“ACCPF”) which is part of the Local Government Pension Scheme (Scotland) (“LGPS”), a multi-employer scheme. The LGPS is a defined benefit scheme.

Under the ACCPF the contribution rate required for Aberdeen Foyer is set on a grouped basis, combining the experience of the employer with other employers also participating in the Fund. Assets and liabilities of the Fund are not separately identified between the various employers participating as part of the triennial actuarial valuations. As a result Aberdeen Foyer is unable to identify its relevant share of the underlying assets and liabilities in the Fund. These accounts have therefore been drawn up in accordance with Financial Reporting Standard No. 17 (Retirement Benefits) on the basis that the pension cost is accounted for as a defined contribution scheme and contributions are charged to the Statement of Financial Activities as they become payable.

The company also operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable.

NOTES ON THE ACCOUNTS – 31 MARCH 2006

1. ACCOUNTING POLICIES (continued)

(k) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds are unrestricted funds earmarked by the directors for specific future purposes or projects.

Restricted funds are to be used for specific purposes as laid down by the donor.

2. VOLUNTARY INCOME

Aberdeen Foyer is in receipt of financial support from Community Scotland, Local Councils, Scottish Enterprise and Robert Gordon's University to help support service activity, business planning and service development. Private sector companies have also provided voluntary income, again to support service activities. Additionally, there have been donations from Laidlaw Youth Project and Tudor Trust to support service activity and service developments.

| | 2006 £ | 2005 £ |
|------------------|------------------|------------------|
| Public | 169,822 | 85,885 |
| Private sector | 48,275 | 25,000 |
| Individuals | 10,060 | 25,860 |
| Donated services | 9,327 | 11,852 |
| | <u>£ 237,484</u> | <u>£ 148,597</u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | 2006 £ | 2005 £ |
|-------------------------------------|------------------|------------------|
| Music | 6,843 | 16,301 |
| External bodies – use of facilities | 41,711 | 36,910 |
| Art | 16,718 | - |
| Fundraising activities | 68,652 | 45,367 |
| Property | 1,261 | 1,375 |
| Commercial trading operations | 637,263 | 557,621 |
| | <u>£ 772,448</u> | <u>£ 657,574</u> |

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2006 £ | 2005 £ |
|----------------------------------|--------------------|--------------------|
| Housing services | | |
| Rental and service charge income | 193,182 | 146,650 |
| Supporting People grant | 868,867 | 748,838 |
| | <u>1,062,049</u> | <u>895,488</u> |
| Learning | 1,392,948 | 921,402 |
| Health | 200,685 | 166,784 |
| Other | | |
| Driving school | 39,462 | - |
| Volunteering | 36,738 | - |
| | <u>£ 2,731,882</u> | <u>£ 1,983,674</u> |

5. COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING SUBSIDIARY

The wholly owned subsidiary, Foyer Enterprise Limited, which operates in the United Kingdom, pays its profits to Aberdeen Foyer by gift aid. Foyer Enterprises Limited operates a restaurant and graphic design service. The charity owns the entire issued share capital of 2 ordinary shares of £1 each.

A summary of the trading results is shown below.

| | 2006 £ | 2005 £ |
|---|-----------------|-------------------|
| Turnover | 666,003 | 557,621 |
| Cost of sales and administrative expenses | (654,995) | (580,528) |
| Other operating income | 27,200 | - |
| | <u>38,208</u> | <u>(22,907)</u> |
| Net profit/(loss) | 38,208 | (22,907) |
| Gifted to Aberdeen Foyer | - | (2,000) |
| | <u>£ 38,208</u> | <u>£ (24,907)</u> |

The assets and liabilities of the subsidiary were:

| | | |
|---|-----------------|-------------------|
| Fixed assets | 61,618 | 64,945 |
| Current assets | 80,034 | 18,971 |
| Creditors: falling due after more than one year | (109,623) | (106,980) |
| Creditors: falling due within one year | (17,195) | (310) |
| | <u>£ 14,834</u> | <u>£ (23,374)</u> |

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

6. COST OF GENERATING FUNDS

| | 2006 £ | 2005 £ |
|-------------------------------------|------------------|------------------|
| External bodies – use of facilities | 43,034 | 28,553 |
| Art | 31,056 | - |
| Fundraising activities | 57,383 | 18,535 |
| Commercial trading operations | 626,139 | 580,528 |
| | <u>£ 757,612</u> | <u>£ 627,616</u> |

| | Staff £ | Other £ | Catering £ | Support £ | 2006 £ | 2005 £ |
|-------------------------------------|-----------------|------------------|-------------------|-----------------|------------------|------------------|
| External bodies – use of facilities | 33,357 | 24,058 | (42,717) | 28,336 | 43,034 | 28,553 |
| Art | 15,282 | 11,664 | - | 4,110 | 31,056 | - |
| Fundraising | 13,583 | 34,703 | - | 9,097 | 57,383 | 18,535 |
| Commercial trading operations | - | 585,692 | - | 40,447 | 626,139 | 580,528 |
| | <u>£ 62,222</u> | <u>£ 656,117</u> | <u>£ (42,717)</u> | <u>£ 81,990</u> | <u>£ 757,612</u> | <u>£ 627,616</u> |
| | | | Note 7 | Note 7 | | |

Music is mainly a charitable activity within learning, but there are some funds generated from this activity, however costs associated with this are minimal.

7. COST OF CHARITABLE ACTIVITIES

| | Staff £ | Property £ | Other £ | Catering £ | Support £ | 2006 £ | 2005 £ |
|----------|--------------------|------------------|------------------|-----------------|-------------------|--------------------|--------------------|
| Housing | 706,636 | 210,251 | 55,490 | - | 215,741 | 1,188,118 | 1,051,714 |
| Learning | 679,840 | 29,504 | 373,261 | 24,720 | 289,680 | 1,397,005 | 923,832 |
| Health | 121,855 | - | 19,122 | 6,000 | 48,848 | 195,825 | 153,781 |
| Other | 29,146 | - | 16,605 | - | 73,200 | 118,951 | - |
| Support | 280,607 | 15,529 | 407,495 | 11,997 | (715,628) | - | - |
| | <u>£ 1,818,084</u> | <u>£ 255,284</u> | <u>£ 871,973</u> | <u>£ 42,717</u> | <u>£ (88,159)</u> | <u>£ 2,899,899</u> | <u>£ 2,129,327</u> |
| | | | | Note 6 | Note 6/8 | | |

8. GOVERNANCE COSTS

| | 2006 | 2005 |
|-------|----------------|----------------|
| Audit | <u>£ 6,169</u> | <u>£ 4,200</u> |

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

9. NET MOVEMENT IN FUNDS *is stated after charging:*

| | 2006 £ | 2005 £ |
|--|----------------|----------------|
| Auditors' remuneration - audit fees | 5,000 | 4,200 |
| - other (inclusive of irrecoverable VAT) | 38,432 | 5,000 |
| Depreciation of owned fixed assets | 100,242 | 89,354 |
| Depreciation of assets held under finance leases and hire purchase contracts | 8,038 | 1,375 |
| Rent of property | 116,251 | 123,482 |
| Hire of equipment | 43,442 | 31,112 |
| | <u>206,305</u> | <u>234,723</u> |

10. STAFF COSTS AND NUMBERS

| | 2006 £ | 2005 £ |
|---------------------|--------------------|--------------------|
| Wages and salaries | 1,855,325 | 1,330,732 |
| Social security | 138,243 | 95,727 |
| Other pension costs | 161,122 | 89,194 |
| | <u>£ 2,154,690</u> | <u>£ 1,515,653</u> |

The average number of persons employed by the group during the year, including appointed directors, was as follows:

| | 2006 No | 2005 No |
|--------------------|------------|------------|
| Directors | 18 | 18 |
| Management | 4 | 4 |
| Operational staff | 88 | 70 |
| Commercial trading | 18 | 17 |
| | <u>128</u> | <u>109</u> |

There were no employees with emoluments over £60,000 (2005 – £50,000).

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

11. DIRECTORS' EMOLUMENTS AND EXPENSES

The directors received no remuneration or expenses from the company during the year.

12. NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY

The net income dealt with in the accounts of the parent company was £13,806 (2005 – £28,207).

13. TANGIBLE FIXED ASSETS

| | Leasehold property £ | Property furniture £ | Furniture, fixtures & equipment £ | Total £ |
|----------------------|----------------------------|----------------------------|--|------------------|
| GROUP | | | | |
| COST | | | | |
| At 1 April 2005 | 450,227 | 126,018 | 332,798 | 909,043 |
| Additions | - | 39,581 | 79,007 | 118,588 |
| Disposals | - | (5,693) | - | (5,693) |
| At 31 March 2006 | <u>450,227</u> | <u>159,906</u> | <u>411,805</u> | <u>1,021,938</u> |
| DEPRECIATION | | | | |
| At 1 April 2005 | 138,000 | 66,379 | 207,858 | 412,237 |
| Charge for year | 24,323 | 24,506 | 59,451 | 108,280 |
| At 31 March 2006 | <u>162,323</u> | <u>90,885</u> | <u>267,309</u> | <u>520,517</u> |
| Net book amounts at: | | | | |
| 31 March 2006 | <u>£ 287,904</u> | <u>£ 69,021</u> | <u>£ 144,496</u> | <u>£ 501,421</u> |
| 31 March 2005 | <u>£ 312,227</u> | <u>£ 59,639</u> | <u>£ 124,940</u> | <u>£ 496,806</u> |

The net book value of furniture, fixtures and equipment includes an amount of £29,400 (2005 - £4,124) in respect of assets under finance leases and hire purchase contracts.

ABERDEEN FOYER**NOTES ON THE ACCOUNTS – 31 MARCH 2006**

13. TANGIBLE FIXED ASSETS (continued)

| | Leasehold property £ | Property furniture £ | Furniture, fixtures & equipment £ | Total £ |
|----------------------|----------------------------|----------------------------|--|------------------|
| COMPANY | | | | |
| COST | | | | |
| At 1 April 2005 | 450,227 | 126,018 | 210,509 | 786,754 |
| Additions | - | 39,581 | 62,458 | 102,039 |
| Disposals | - | (5,693) | - | (5,693) |
| At 31 March 2006 | <u>450,227</u> | <u>159,906</u> | <u>272,967</u> | <u>883,100</u> |
| DEPRECIATION | | | | |
| At 1 April 2005 | 138,000 | 66,379 | 150,514 | 354,893 |
| Charge for year | 24,323 | 24,506 | 39,575 | 88,404 |
| At 31 March 2006 | <u>162,323</u> | <u>90,885</u> | <u>190,089</u> | <u>443,297</u> |
| Net book amounts at: | | | | |
| 31 March 2006 | <u>£ 287,904</u> | <u>£ 69,021</u> | <u>£ 82,878</u> | <u>£ 439,803</u> |
| 31 March 2005 | <u>£ 312,227</u> | <u>£ 59,639</u> | <u>£ 59,995</u> | <u>£ 431,861</u> |

14. DEBTORS

| | 2006 £ | Group 2005 £ | 2006 £ | Company 2005 £ |
|---------------------------------|------------------|---------------------------|------------------|-----------------------------|
| Trade debtors | 382,053 | 109,839 | 344,569 | 97,486 |
| Other debtors | 96,664 | - | 62,664 | - |
| Prepayments and accrued income | 32,279 | 33,103 | 30,562 | 33,103 |
| Due from subsidiary undertaking | - | - | 18,035 | 41,355 |
| | <u>£ 510,996</u> | <u>£ 142,942</u> | <u>£ 455,830</u> | <u>£ 171,944</u> |

15. CREDITORS: *amounts falling due within one year*

| | 2006 £ | Group 2005 £ | 2006 £ | Company 2005 £ |
|---|------------------|---------------------------|------------------|-----------------------------|
| Bank overdraft | 174,781 | 8,329 | 154,177 | - |
| Obligations under hire purchase contracts | 9,126 | 1,859 | - | - |
| Trade creditors | 72,110 | 24,436 | 53,879 | 24,436 |
| Taxation and social security | 59,063 | 42,764 | 46,839 | 29,506 |
| Accruals | 34,908 | 51,379 | 10,305 | 9,200 |
| Other creditors | 20,405 | 89,495 | 20,405 | 89,495 |
| Deferred income | 187,648 | 65,061 | 180,848 | 65,061 |
| | <u>£ 558,041</u> | <u>£ 283,323</u> | <u>£ 466,453</u> | <u>£ 217,698</u> |

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

16. SECURITY

The company's bankers hold a floating charge over all the assets of the company.

17. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

| | 2006 £ | Group 2005 £ |
|---|-----------------|---------------------------|
| <i>Amounts payable:</i> | | |
| Within one year | 10,276 | 2,292 |
| Within two to five years | 19,412 | 382 |
| | <u>29,688</u> | <u>2,674</u> |
| Less: Finance charges allocated to future periods | 3,367 | 505 |
| | <u>£ 26,321</u> | <u>£ 2,169</u> |
| | | |
| Current obligations (Note 15) | 9,126 | 1,859 |
| Non current obligations | 17,195 | 310 |
| | <u>£ 26,321</u> | <u>£ 2,169</u> |

18. MOVEMENT IN FUNDS

| | General funds £ | Designated funds £ | Total unrestricted funds £ | Restricted funds £ | Total funds £ |
|---|-----------------------|--------------------------|-------------------------------------|--------------------------|---------------------|
| GROUP | | | | | |
| At 31 March 2004 | (62,548) | 397,776 | 335,228 | 57,008 | 392,236 |
| Transfer from designated fund | 397,776 | (397,776) | - | - | - |
| Transfer from restricted fund | 25,000 | - | 25,000 | (25,000) | - |
| Net incoming resources/(resources expended for the year) | (74,381) | - | (74,381) | 77,681 | 3,300 |
| | <u>285,847</u> | <u>-</u> | <u>285,847</u> | <u>109,689</u> | <u>395,536</u> |
| At 31 March 2005 | 285,847 | - | 285,847 | 109,689 | 395,536 |
| Transfer to restricted funds | 48,243 | - | 48,243 | (48,243) | - |
| Net incoming resources for the year | 24,511 | - | 24,511 | 27,503 | 52,014 |
| | <u>£ 358,601</u> | <u>£ -</u> | <u>£ 358,601</u> | <u>£ 88,949</u> | <u>£ 447,550</u> |

NOTES ON THE ACCOUNTS – 31 MARCH 2006

18. MOVEMENT IN FUNDS (continued)

| COMPANY | General funds £ | Designated funds £ | Total unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|--------------------|-----------------------|-------------------------------|-----------------------|------------------|
| At 31 March 2004 | (64,079) | 397,776 | 333,697 | 57,008 | 390,705 |
| Transfer from designated fund | 397,776 | (397,776) | - | - | - |
| Transfer from restricted fund | 25,000 | - | 25,000 | (25,000) | - |
| Net incoming resources/(resources expended) for the year | (49,474) | - | (49,474) | 77,681 | 28,207 |
| At 31 March 2005 | 309,223 | - | 309,223 | 109,689 | 418,912 |
| Transfer to restricted funds | 48,243 | - | 48,243 | (48,243) | - |
| Net (resources expended)/incoming resources for the year | (13,697) | - | (13,697) | 27,503 | 13,806 |
| At 31 March 2006 | <u>£ 343,769</u> | <u>£ -</u> | <u>£ 343,769</u> | <u>£ 88,949</u> | <u>£ 432,718</u> |

Purpose of restricted funds

The purpose of restricted funds is set out at Note 19.

19. RESTRICTED FUNDS

| | At 1 April 2005 £ | Incoming resources £ | Resources expended £ | Transfers £ | At 31 March 2006 £ |
|---|----------------------|-------------------------|-------------------------|-------------------|-----------------------|
| Health | 30,372 | 220,910 | (195,825) | - | 55,457 |
| Supporting people and other housing support | 37,212 | 77,606 | (50,591) | (50,704) | 13,523 |
| Learning | 28,213 | 380,834 | (418,351) | 9,543 | 239 |
| Other | 13,892 | 140,682 | (127,762) | (7,082) | 19,730 |
| | <u>£ 109,689</u> | <u>£ 820,032</u> | <u>£ (792,529)</u> | <u>£ (48,243)</u> | <u>£ 88,949</u> |

The Supporting People and other housing support funds is for the provision of supported tenancies in Aberdeen and Aberdeenshire. The directors have reviewed this funding stream and are now of the opinion that it should be accounted for as unrestricted income. Therefore the balances brought forward have been transferred to general funds.

The Learning Fund relates to income received for a range of specific education, training and employment services provided.

Other restricted funds relate to the provision of corporate services and other charitable initiatives.

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

20. ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS

| | General fund £ | Restricted funds £ | Total funds £ |
|---|----------------------|--------------------------|---------------------|
| GROUP | | | |
| Tangible fixed assets | 501,421 | - | 501,421 |
| Net current (liabilities)/assets | (125,625) | 88,949 | (36,676) |
| Liabilities due after more than one year | (17,195) | - | (17,195) |
| Net assets at 31 March 2006 | <u>£ 358,601</u> | <u>£ 88,949</u> | <u>£ 447,550</u> |
| | General fund £ | Restricted funds £ | Total funds £ |
| COMPANY | | | |
| Tangible fixed assets | 439,803 | - | 439,803 |
| Investments | 2 | - | 2 |
| Net current (liabilities)/assets | (96,036) | 88,949 | (7,087) |
| Net assets at 31 March 2006 | <u>£ 343,769</u> | <u>£ 88,949</u> | <u>£ 432,718</u> |

21. OTHER FINANCIAL COMMITMENTS

The annual commitments under non-cancellable operating leases are as follows:

| | Land and buildings | | | Other |
|---------------------------------------|---------------------------|------------------|-----------------|-----------------|
| | 2006 | 2005 | 2006 | 2006 |
| | £ | £ | £ | £ |
| <i>Operating leases which expire:</i> | | | | |
| In less than one year | 48,407 | 58,991 | 13,498 | - |
| Between one and five years | 31,266 | - | 20,843 | 36,468 |
| In more than five years | 69,300 | 59,000 | - | - |
| | <u>£ 148,973</u> | <u>£ 117,991</u> | <u>£ 34,341</u> | <u>£ 36,468</u> |

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

22. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the directors. Details of the directors' interests in the share capital are set out in the directors' report.

Transactions

During the year the company had the following transactions with related parties. These bodies are considered to be related parties as they appoint representatives to the Board of Aberdeen Foyer, as explained in the directors' report.

| Related party | Transaction | £ | Balance at year end £ |
|------------------------------|---|-------------------|--------------------------------------|
| Grampian Housing Association | Lease of properties from Grampian Housing Association Seconded staff | 169,651 27,651 | 8,567 |
| Aberdeen City Council | Funding for Services provided by Aberdeen Foyer | 726,194 | 66,047 |
| Aberdeenshire Council | Funding for Services provided by Aberdeen Foyer | 457,202 | 67,901 |
| NHS Grampian | Funding for Services provided by Aberdeen Foyer | 67,856 | 3,808 |
| Aberdeen College | Funding for Services provided by Aberdeen Foyer | 97,386 | 41,375 |

Aberdeen City Council leases property to Aberdeen Foyer at a peppercorn rent.

The company has taken advantage of the exemptions available under Financial Reporting Standard No 8 not to disclose transactions with Foyer Enterprise Limited.

ABERDEEN FOYER

NOTES ON THE ACCOUNTS – 31 MARCH 2006

23. LEGAL STATUS

Aberdeen Foyer is a company limited by guarantee and not having a share capital. The members' liability in the event of winding up is limited by guarantee not exceeding £1 per member.

24. PENSION COMMITMENTS

As stated in note 1(j) Aberdeen Foyer participates in the Aberdeen City Council Pension Fund ("ACCPF") which is a multi-employer defined benefit scheme.

The Scheme's actuaries had previously stated that it had been possible to identify each employer's share of the underlying assets on a consistent and reasonable basis; however subsequent enquiry has revealed that whilst liabilities can be specifically allocated, the share of assets has been attributed on a pro-rata basis. Aberdeen Foyer has therefore accounted for its contributions to the Scheme as if it were a defined contribution scheme. Consequently no disclosure has been provided in accordance with the transitional arrangements of FRS 17 as was done last year.

Information about the overall funding position of the ACCPF was provided by the actuary to the Fund in his report dated 20 March 2006 on the actuarial valuation of the Scheme as at 31 March 2005. That valuation showed that the overall funding position of the Scheme as a whole was 84%, the deficit being £243.4 million. The contributions payable by the employers are based on the position of the Fund as a whole, which is reassessed at each triennial valuation, in line with the Administering Authority's Funding Strategy Statement.

The next actuarial valuation of the ACCPF is being carried out with an effective date of 31 March 2008, with revised contribution rates being effective from 1 April 2009.

Other creditors at 31 March 2006 included £19,878 in respect of pension contributions payable at that date (2005-£11,750).